



## ➤ **TOP 10** ➤ **Real Estate Withholding Errors** that Delay Document Processing/ Payment Allocation – 2008

CATEGORY	➤ ERROR	➤ SOLUTION
■ <b>Forms</b>	Incorrect or incomplete information provided on withholding documents (Rank 5/10)	Answer all applicable fields completely and accurately. Also, include a telephone number so we can reach you directly if an error occurs.
	Incorrect form (Rank 4/10)	Verify the correct form type and year of withholding before submitting.
	Multiple and/or unrelated sellers on one withholding form (Rank 8/10)	A separate withholding form is used for each of the sellers (other than joint filers) allocating the proportional share of withholding.
	Unnecessary paperwork sent to FTB (Rank 2/10)	Cover letter, closing statement, and form instruction documents are generally not necessary to allocate withholding to taxpayers. Send in the required forms only.
	Forms 593-C and 593-E sent to FTB (Rank 1/10)	Forms 593-C, <i>Real Estate Withholding Certificate</i> , and 593-E, <i>Real Estate Withholding - Computation of Estimated Gain or Loss</i> , should not be sent to FTB unless requested. Sellers should retain the 593-E for five years and escrow persons should retain the 593-C for five years.
■ <b>Identification</b>	Incorrect person/entity listed (Rank 9/10)	Withholding is withheld from funds due to the seller who is listed on the title. For trusts, see FTB Form 7429, <i>Do I Need to Withhold on This Trust?</i> , for assistance in determining withholding and guidelines on the types of trusts. Make sure the identification number of the seller is included, not the trustee, beneficiary, etc.
	Omitting or using an incorrect identification number (Rank 3/10)	Enter the correct identification number(s) on all the withholding identification number documents. If the seller has applied for a tax identification number, but it has not been received, enter “Applied For” in the space for the seller’s ID and attach a copy of the federal application.  Note: Form 593-C must have an identification number to be valid.
	Non-real estate related payments (Rank 7/10)	Lien or bill payments should not accompany real estate withholding payments. For additional information on payoff amounts for liens, contact our Lien Department at 916.845.4350 (not toll-free).
■ <b>Payments</b>	No information included with payment (Rank 6/10)	Make sure all payments remitted include the correct withholding documents, identification number, and the exact legal name. Register for the Electronic Funds Transfer (EFT) Program. For more information, visit our website at <a href="http://ftb.ca.gov">ftb.ca.gov</a> or call 916.845.4025 (not toll-free).
	One payment for multiple transactions that do not match submitted documents (Rank 10/10)	Payment for multiple transactions should equal the total amount of the submitted withholding documents.

For additional information on Real Estate Withholding, visit our website at [ftb.ca.gov](http://ftb.ca.gov).